

Alaska Waste Mat-Su, LLC
Cost of Fuel Surcharge (COFS) Update
Memorandum

Date: April 1, 2021

Utility Name Alaska Waste Mat-Su, LLC	Utility File No. TA98-731	Date Filed: March 1, 2021
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FILING SUMMARY

Statutory Deadline:
April 15, 2021

Tariff Sheet recommended for approval:
Tariff Sheet No. 51 March 1, 2021

Staff Recommended Effective Date:
March 1, 2021

Side-by-side Tariff Sheet attached as Appendix 3

COFS SUMMARY

Prior Commission Determination TA Number	Date of Prior Commission Determination	Prior Commission Determination	Staff Recommended Determination	Change
TA96-731	September 1, 2020	(3.1126%)	(5.0566%)	(1.944%)

Signed: Steven Jones _____ Utility Tariff Analyst

Steven Jones

Reasons for the above recommendation: See Attached Memorandum

	Date, if different from 4/1/2021	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<u>RMP</u>		
Kurber		<u>KK</u>		
Scott		<u>AGS</u> AGS		
Sullivan		<u>DS</u> DS		
Wilson		<u>JW</u>		

Special Instructions to Staff: _____

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order.

**Alaska Waste Mat-Su, LLC
Cost of Fuel Surcharge (COFS) Update
Memorandum**

To: Robert M. Pickett, Chairman
Keith Kurber II
Antony Scott
Daniel A. Sullivan
Janis W. Wilson

Date: April 1, 2021

File: TA98-731

Utility: Alaska Waste Mat-Su, LLC

From: Steven Jones

Subject: COFS

COFS Comments:

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed the proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to COFS are reviewed pursuant to the methodology approved with Order No. U-09-012(10) and must be filed with documentation supporting entries in the balancing account for the historical period and projections for the future period.

Staff Notes:

The estimated fuel costs decreased from \$58,763 to \$49,925. The balancing account balance decreased from (\$7,087) to (\$30,071). The estimated revenues increased from \$1,677,195 to \$1,746,007. The decrease in fuel costs, the decrease in the balancing account balance, and increase in estimated revenues places downward pressure on the COFS resulting in a decrease in Alaska Waste Mat-Su's COFS from (3.1126%) to (5.0566%).

Staff Recommendation:

The Commission should approve Tariff Sheet No. 51, filed March 1, 2021, by Alaska Waste Mat-Su, LLC with TA98-731. The effective date of the tariff sheet should be March 1, 2021.

Additional Comments:

Alaska Waste Mat-Su filed a revenue requirement study (RRS) on December 23, 2019, designated as TA90-731. TA90-731 was suspended into U-20-003 on February 6, 2020 (see Order No. U-20-002(1)/U-20-003(1)/U-20-004(1)/U-20-005(1)/U-20-006(1)/U-20-007(1)/U-20-008(1)/U-20-009(1)/U-20-010(1), issued February 6, 2020). Staff does not recommend suspension of TA98-731 into Alaska Waste Mat-Su's pending revenue requirement study as the COFS is calculated using the base cost of fuel from the most recently approved RRS (see Tariff Sheet No. 51, at 6). The pending RRS has not been approved; as such there is not a new base cost of fuel to use in calculating the COFS. Alaska Waste Mat-Su will submit an updated fuel surcharge calculation once the new base cost of fuel has been established by the Commission (see tariff advice letter for TA90-731, at 5).

Alaska Waste Mat-Su, LLC
Calculation and Comparison of Residential Bill
TA98-731

Customer Bills	Prior Determination	Updated Determination	Change
Surcharge (%)	(3.1126%)	(5.0566%)	(1.944%)
Customer Bill			
1X 96 Gallon Roll Cart	\$33.04	\$33.04	\$ -
Regulatory Cost Charge @ 0.756%	\$0.24	\$0.24	\$ -
Surcharge Amount (\$)	(\$1.03)	(\$1.67)	\$ (0.64)
Total Customer Bill (\$)	\$32.25	\$31.61	\$ (0.64)

Alaska Waste Mat-Su, LLC
Cost of Fuel Surcharge Amount
TA98-731

Calculation of Cost of Fuel Surcharge		
Line Description	Prior Determination	Updated Determination
A Estimated Per Unit Fuel Cost	\$ 2.3683	1.9731
B Estimated Fuel Consumption	24,812	25,303.45
C Total Estimated Fuel Costs (A*B)	\$ 58,763	\$ 49,925
D Balancing Account Balance	\$ (7,087)	\$ (30,071)
E Total (C+D)	\$ 51,676	\$ 19,854
F Estimated Retail Sales	\$ 1,677,195	\$ 1,746,007
G Projected Cost of Fuel (E/F)	3.0811%	1.1371%
H Base Cost of Fuel	6.1937%	6.1937%
I Cost of Fuel Surcharge Amount (G-H)	(3.1126%)	(5.0566%)

Comments

Actual Costs			
	Prior Quarter	Reported Quarter	Change
Per Unit Fuel Cost	\$ 1.51	\$ 2.09	\$ 0.58
Total Fuel Cost	\$ 19,233.31	\$ 27,140.95	\$ 7,907.64
Balancing Account	\$ (7,087)	\$ (30,071)	\$ (22,984)

Actual Revenues			
	Prior Quarter	Reported Quarter	Change
Surcharge Revenues	\$ (17,491.72)	\$ (23,331.28)	\$ (5,839.56)
Base Cost Revenues	\$ 51,556.44	\$ 56,507.32	\$ 4,950.88

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Keith Kurber II (Apr 1, 2021 10:02 AKDT)

Email: keith.kurber@alaska.gov

Signature: 
Antony Scott (Apr 1, 2021 11:07 AKDT)

Email: antony.scott@alaska.gov

Signature: 
Daniel Sullivan (Apr 1, 2021 11:20 AKDT)

Email: daniel.sullivan@alaska.gov

Signature: 
Janis W. Wilson (Apr 1, 2021 12:42 AKDT)

Email: janis.wilson@alaska.gov

RCA NO. <u>731</u> <u>Thirty- Ninth Revision</u> SHEET NO. <u>51</u> Canceling <u>Thirty- Eighth Revision</u> SHEET NO. <u>51</u>	<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 80%;"> RECEIVED SEP 01 2020 <small>STATE OF ALASKA REGULATORY COMMISSION OF ALASKA</small> </div>										
ALASKA WASTE MAT-SU, LLC d/b/a ALASKA WASTE SECTION 300 RATES											
300.20.2 MAT-SU RESIDENTIAL SURCHARGES COST OF FUEL SURCHARGE (1) Cost for Bi-annual Period Beginning August 31, 2020 (T) <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Source</u></th> <th style="text-align: left;"><u>Quantity</u></th> <th style="text-align: left;"><u>Unit Cost</u></th> <th style="text-align: left;"><u>Total</u></th> <th></th> </tr> </thead> <tbody> <tr> <td>Diesel Fuel</td> <td>24,812 Gal X 2.3683 per gal =</td> <td></td> <td>\$ 58,763</td> <td style="text-align: right;">(I)</td> </tr> </tbody> </table> (2) Balance in Cost of Fuel Balancing Account as of June 30, 2020 (\$7,087) (T)(R) (3) Total Lines (1) and (2) above \$ 51,676 (I) (4) Estimated Bi-Annual Revenue \$ 1,677,195 (T)(I) (5) Projected Cost of Fuel (Line (3))/(4)) 3.0811% (R) (6) Base Cost of Fuel <u>6.1937%</u> (7) Cost of Fuel Surcharge (Line (5)-(6)) (3.1126%) (R)		<u>Source</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>		Diesel Fuel	24,812 Gal X 2.3683 per gal =		\$ 58,763	(I)
<u>Source</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>								
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This surcharge applies to Residential rates and extra can and bag charges only.											
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Tariff Advice No.: <u>96-731</u> Effective: <u>September 1, 2020</u> </div> Issued By: ALASKA WASTE MAT-SU, LLC d/b/a ALASKA WASTE <div style="display: flex; justify-content: space-between;"> _____ Heather Garland Title: <u>Pricing Manager</u> </div>											

RCA NO. <u>731</u> <u>Fourtieth Revision</u> SHEET NO. <u>51</u> Canceling <u>Thirty- Ninth Revision</u> SHEET NO. <u>51</u>	<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 80%;"> <div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block; text-align: center;"> <small>TARIFF SECTION</small> RECEIVED MAR 01 2021 <small>RCA</small> </div> </div>										
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